

**CHAPTER NO. 989**

**HOUSE BILL NO. 2400**

**By Representatives Brown, Armstrong, Miller, Larry Turner, Brooks, John DeBerry, Pruitt, Bowers, Towns, Cooper, Sherry Jones, Ulysses Jones, Kernell, Lois DeBerry, Langster, Hargrove**

**Substituted for: Senate Bill No. 2650**

**By Senators Crutchfield, Williams, Person**

AN ACT to amend Tennessee Code Annotated, Title 9, Chapter 4 and Title 71, relative to needy families.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. As used in this act, unless the context otherwise requires:

(1) "TANF" means the federal Temporary Assistance to Needy Families program.

(2) "TANF assistance-type services" means the limited scope of activities and services that constitute assistance under federal laws and regulations governing TANF.

(3) "Unspent prior-year TANF funds" means unspent TANF block grant funds that exist from prior federal fiscal years 1998 and 1999, which are claimable by the state but have not been drawn down by the state.

SECTION 2. The General Assembly finds the following:

(1) Substantial amounts of Temporary Assistance to Needy Families ("TANF") block grant funds exist from prior federal fiscal years 1998 and 1999, which are claimable by the state but have not been drawn down by the state.

(2) Under federal laws and regulations, the unspent prior-year TANF funds must be used solely for a limited scope of activities and services that constitute assistance.

(3) Under federal laws and regulations, current-year TANF funds may be used for a broader scope of activities and services permitted under TANF that may or may not constitute TANF assistance-type services.

(4) The amount of unspent prior-year TANF funds significantly exceeds the amount that reasonably needs to be reserved as a rainy-day fund for future unexpected program needs, such as the need to expand assistance to needy families with children in the event of an economic downturn.

(5) The state could accommodate new investments in preventive and remedial programs and services permitted under the goals of TANF.

(6) It is sound fiscal management policy to fund the relatively limited scope of TANF assistance-type services with unspent prior-year TANF funds, thereby freeing up the use of current-year TANF funds to support a broader scope of preventive and remedial programs and services permitted under TANF.

SECTION 3. No later than the time that the Department of Human Services is required to file its TANF ACF-196 report with the U.S. Department of Health and Human Services, the Commissioner of Human Services shall cause copies of such report in its proposed final form to be delivered to the Speaker of the Senate; the Speaker of the House of Representatives; the Finance, Ways and Means Committee of the Senate; the Finance, Ways and Means Committee of the House of Representatives; the General Welfare, Health and Human Resources Committee of the Senate; the Health and Human Resources Committee of the House of Representatives; and the Children and Family Affairs Committee of the House of Representatives. The commissioner shall promptly deliver copies in like manner of any revisions or updates made to any ACF-196 form filed with the U.S. Department of Health and Human Services.

SECTION 4. The Department of Human Services shall fund TANF assistance-type services that it delivers with unspent prior-year TANF funds to the extent that such funds remain available for that purpose and to the extent that it is administratively feasible to do so.

SECTION 5. (a) The Department of Human Services may make a portion of current-year TANF funds available for competitive grants to local government, local community development corporations, federally qualified community health centers, non-profit entities or community-based organizations. Such grants shall be used to fund programs or services designed to assist Families First participants in their efforts to transition from Families First program, to the extent that such programs or services assist in meeting one or more of the following goals specified under federal law:

- (1) To provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;
- (2) To end the dependence of needy parents on government benefits by promoting job preparation, work and marriage;
- (3) To prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing incidence of such pregnancies;
- (4) To encourage the formation and maintenance of two-parent families.

(b) The programs and services designed to meet these goals may include, but are not limited to:

- (1) Employment related services;
- (2) Wage advancement;
- (3) Counseling services;
- (4) Pregnancy prevention;
- (5) After-school and summer recreation activities that provide supervision and developmental services for children and youth while their low income parents work;
- (6) Micro enterprise development initiatives;
- (7) Non-medical substance abuse services;

(8) Assisting victims of domestic violence, including relocation within or outside of the state where employment and safe housing has been secured; and

(9) Providing responsible fatherhood initiatives that will improve the capacity of low income fathers to provide financial and emotional support for their children.

(c) It is the intent of the General Assembly to make the grants under this act available to a broad group of organizations that may or may not have had prior contracts with the department. The department shall provide notification of the availability of the grants to interested parties, including but not limited to local governments, local community development corporations, federally qualified community health centers, non-profit entities and community-based organizations that qualify to provide services authorized by TANF. Provided, however, nothing herein shall be construed to reduce funding under existing contracts.

SECTION 6. Tennessee Code Annotated, Title 71, Chapter 3, Part 1, is amended by adding Sections 1 through 5 of this act as new sections to be appropriately designated.

SECTION 7. Implementation of the provisions of this act shall be subject to funding being provided in the General Appropriations Act.

SECTION 8. (a) The General Assembly recognizes that children who have been abused, who are dependent or neglected, or whose parents, for whatever reason, may be unable or unwilling to provide for their children's care are best served when they can be cared for by other suitable members of their families instead of placing those children in foster care with the State of Tennessee. It is further recognized that, while those relatives are often willing to provide for the care of children who can no longer remain with their parents, there may exist financial obstacles to the provision of such relative care, or there may be a need for other services to enable the children to remain with relatives in order to prevent those children's entry into the foster care system. It is the intent of the General Assembly to assess, through the pilot program established by this chapter, the state's ability to assist families in providing care for related children so that those children need not come into the state's foster care system.

(b)(1) Subject to the availability of funding, the Department of Children's Services shall establish and administer a series of pilot programs in Davidson and Shelby Counties and in one (1) or more rural counties. The pilot programs are to provide financial assistance and certain services to persons who are providing for the care of relative children who have been placed in their temporary legal custody by an appropriate court in the State of Tennessee.

(2) A rural county or group of rural counties may submit a proposal to serve a particular area. Each proposal from Davidson and Shelby Counties and a rural county or group of rural counties shall be evaluated by the Department of Children's Services with regard to the quality of the proposals and the established need for the services.

(3) Two hundred fifty thousand dollars (\$250,000) shall be allocated in one (1) or more rural counties. The \$250,000 available to the rural county or rural counties will be awarded in a manner which will assure sufficient funds to implement the county's or counties' proposal. Funding for the pilot programs in the urban areas of Shelby and Davidson Counties shall be based on the percentage of foster care cases for children in state care as of July 1, 1999 relative to the total dollars available for the urban projects.

(c)(1) Subject to availability of funding, and as may be permitted by federal law or regulations governing the Department of Human Services' Title IV-A block grant, the Department of Human Services is specifically authorized to provide funding assistance from its Title IV-A block grant to the Department of Children's Services for the development and operation of the pilot programs established pursuant to sections added to this act by this amendment by providing available funds which are not otherwise committed to or necessary for the provision of Families First services provided pursuant to Title 71, Chapter 3, Part 1.

(2) Notwithstanding the provisions of any law to the contrary, the use of funds from the Department of Human Services' Title IV-A block grant for the operation of the pilot programs established by sections added to this act by this amendment shall not be subject to any limitations regarding the number of pilot projects operated as part of that department's Families First program pursuant to Title 71, Chapter 3, Part 1.

(d)(1) In order to receive financial assistance or services under this part:

(A) The related child shall be in the temporary legal custody of qualified relatives;

(B) The qualified relatives shall be within the first, second, or third degree of relationship of the parent or must be a stepparent of the child. Relationship may be established through blood, marriage, or adoption. Applicable relatives include: grandparents, great-grandparents, aunts, uncles, age-appropriate siblings, great aunts or great uncles, age-appropriate first cousins, and great-great-grandparents; and

(C) The relative caregivers shall also meet a means test as established by the Department of Children's Services, in consultation with the Department of Human Services. The relative caregiver shall not have a total adjusted family income that exceeds more than twice the federal poverty level. The relative caregiver shall also meet such other eligibility criteria to be determined by the Department of Children's Services.

(D) If an adult relative caregiver is included in a Families First assistance group, the services offered may not duplicate services the adult may be receiving pursuant to the Families First program.

(2) Additional services available to all qualified relatives may include but is not limited to child care, counseling, referral to other services, parenting classes, support groups, respite care, homemaker services, and transportation.

(3) Total funding for the provisions of financial assistance and services pursuant to sections added to this act by this amendment shall be capped and shall not exceed two million dollars (\$2,000,000) per year during the pilot program's existence.

(e) The pilot program may receive referrals from juvenile courts, from social services agencies in the pilot counties, from the Department of Human Services, or the program may be accessed directly by the relatives of the affected children by application made to the Department of Children's Services by the children's relatives.

(f) The Department of Children's Services shall solicit proposals and award grants to any person, public or private entity necessary to effectuate the purposes of sections added to this act by this amendment and shall assume oversight and monitoring responsibilities pursuant to the terms of the grant. The department shall require reporting of the provider's administrative expenses which shall not exceed seven percent (7%) of

the grant total. Any funds authorized under sections added to this act by this amendment to Davidson County or Shelby County which are not expended will be available for transfer to other approved kinship pilot programs.

SECTION 9. The Departments of Children's Services and Human Services shall have authority to promulgate any rules necessary to implement the program established pursuant to sections added to this act by this amendment by public necessity rules; provided that permanent rules shall be implemented pursuant to the requirements of the Administrative Procedures Act, codified at Title 4, Chapter 5.

SECTION 10. The Department of Children's Services shall submit two (2) reports of the outcomes associated with the relative caregiver program to the Chairs of the House Children and Family Affairs Committee and the Senate General Welfare, Health and Human Resources Committee; the Chairs of the Senate and House Finance Committees; and the Select Committee on Children and Youth. The first such report shall be submitted on or before June 30, 2001, and the second report submitted by January 30, 2002.

SECTION 11. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 12. For the purposes of promulgating rules and regulations, the sections added to this act by this amendment shall take effect upon becoming law, the public welfare requiring it. For all other purposes the sections added to this act by this amendment shall take effect on July 1, 2000, the public welfare requiring it, and shall be repealed on June 30, 2002.

SECTION 13. This act shall take effect upon becoming law, the public welfare requiring it.

**PASSED: June 9, 2000**

  
JIMMY RAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

  
JOHN S. WILDER  
SPEAKER OF THE SENATE

**APPROVED this    day of    2000**

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DON SUNDQUIST, GOVERNOR

Pursuant to Article III, Section 18, of the Constitution of the State of Tennessee, the Governor had House Bill No. 2400 in his possession longer than ten (10) days, so therefore the bill becomes law without the Governor's signature.